



Ohio Revised Code

Section 1317.05 Insurance provisions; debt cancellation or debt suspension products.

Effective: September 30, 2025

Legislation: House Bill 96

(A) Any retail seller who, in any retail installment contract, has agreed to purchase insurance for the retail buyer and to extend credit for the price thereof, excluding single interest insurance, shall, prior to the due date of the first installment of the retail installment contract, deliver to the retail buyer personally, or mail or cause to be mailed to the retail buyer at the retail buyer's address as shown on the retail installment contract, the policy of insurance, or in lieu thereof a certificate of insurance, or the retail buyer is not liable on the retail buyer's retail installment contract until the policy, or certificate of insurance, is received, or full refund is made of the insurance premium.

If the premium for insurance of like kind and amount, as fixed in the published manual of a recognized standard rating bureau designated by the retail seller, is less than the amount charged the retail buyer as fixed in the written instrument in compliance with division (D) of section 1317.04 of the Revised Code, the retail buyer may deduct an amount equal to three times the difference from the amount owed the retail seller, or the retail seller's successor in interest. Sections 1317.01 to 1317.11 of the Revised Code do not impair the authority of the superintendent of insurance to grant, renew, or revoke licenses, nor do said sections authorize anyone other than a licensee of the division of insurance to directly or indirectly receive any part of the amount charged for insurance in connection with any retail installment sale.

(B) As used in this division, "debt cancellation or debt suspension product" means a contractual agreement in which a retail seller, or its assignee, agrees for a separate charge to cancel or waive all or a part of amounts due on a retail buyer's retail installment contract in the event of a total physical damage loss or unrecovered theft of the motor vehicle that is the subject of the contract. "Debt cancellation or debt suspension product" includes a guaranteed asset protection waiver, guaranteed auto protection waiver, or other similarly named agreement. A "debt cancellation or debt suspension product" may also provide, with or without a separate charge, a benefit that waives an amount, or provides a borrower with a credit, towards the purchase of a replacement motor vehicle.



A debt cancellation or debt suspension product, and an addendum to a retail installment contract containing a debt cancellation or debt suspension product, shall be considered a part of the retail installment contract and shall remain a part of that contract upon the assignment, sale, or transfer of that contract. The charge for any optional debt cancellation or debt suspension product shall be listed as a specific good and shall not be considered a finance charge or interest. The purchase price and the terms of the debt cancellation or debt suspension product shall be disclosed in writing to the buyer. The extension of credit, terms of the credit, or the terms of the related motor vehicle sale or lease shall not be conditioned on the purchase of the debt cancellation or debt suspension product. Notwithstanding any other provision of law, a debt cancellation or debt suspension product shall not be considered insurance.

(C) Single interest insurance shall be listed as a specific good in a retail installment contract.

(D) As used in this section, "single interest insurance" means insurance that covers only the interest of the holder of the retail installment contract.